

EXHIBIT L

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

HAWK INVESTMENT HOLDINGS LTD.,

Plaintiff,

v

STREAM TV NETWORKS, INC., and
TECHNOVATIVE MEDIA INC.,

Defendants.

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: C. A. No.
: 2022-0930-JTL
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Chancery Court Chambers
Leonard L. Williams Justice Center
500 North King Street
Wilmington, Delaware
Thursday, October 20, 2022
11:00 a.m.

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BEFORE: HON. J. TRAVIS LASTER, Vice Chancellor

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TELEPHONIC ORAL ARGUMENT AND RULINGS OF THE COURT ON
PLAINTIFF'S MOTION TO EXPEDITE

CHANCERY COURT REPORTERS
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1 APPEARANCES:

2 STEVEN L. CAPONI, ESQ.
3 MATTHEW B. GOELLER, ESQ.
4 K&L Gates LLP
for Plaintiff

5 ANDREW S. DUPRE, ESQ.
6 BRIAN R. LEMON, ESQ.
McCarter & English, LLP
for Defendants

7 ALSO PRESENT:

8 BONNIE W. DAVID, ESQ.
9 JENNESS E. PARKER, ESQ.
Skadden, Arps, Slate, Meagher & Flom LLP
10 for SeeCubic B.V.
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1 THE COURT: Good morning, everyone.
2 This is Travis Laster speaking.

3 Do we have a court reporter on?

4 THE COURT REPORTER: Yes, Your Honor.

5 THE COURT: Great.

6 Who from Delaware would like to speak
7 up on behalf of the plaintiff? And tell me who's
8 going to present today.

9 ATTORNEY CAPONI: Good -- I think it's
10 morning, Your Honor. Steve Caponi from K&L Gates.
11 With me, Matt Goeller as well. I will be presenting.

12 THE COURT: Great. Thank you.

13 Same question for the defendants.

14 ATTORNEY DUPRE: Hello, Your Honor.
15 This is Andrew Dupre at McCarter & English. Mr. Lemon
16 is in the room with me here on the phone. I'll speak
17 today.

18 THE COURT: Great. Thank you so much.

19 All right. So we're here today
20 because I've received your-all's submissions on the
21 motion to expedite. I've also looked at Mr. Caponi's
22 correspondence about the issues involving payroll at
23 the Netherlands base subsidiary. It seemed to me like
24 we needed to engage with this with relative

1 promptness.

2 So, Mr. Caponi, why don't you go
3 first, update me on anything else you think I should
4 know, and tell me what you'd like.

5 ATTORNEY CAPONI: Your Honor, you're
6 obviously very familiar with -- more familiar than I
7 am with the history of this case and how we ended up
8 where we are today, so I won't belabor the point.

9 The correspondence that I received
10 yesterday, the only thing I would add is that there
11 were an additional set of emails that were forwarded
12 this morning from Dutch counsel for the management of
13 the company back and forth with Mr. Rajan. More of
14 the same, just Mr. Rajan demanding access to assets
15 and not addressing the payroll issue.

16 And the employees trying to explain
17 to -- as I understand the correspondence -- explain to
18 him that in the Netherlands it doesn't matter who the
19 director is -- sorry, who the shareholder is. Until
20 you're listed on the Dutch registry as the director,
21 the current director is who the management is required
22 to listen to. And they have no issue with Mr. Rajan
23 being the new director; they just point out that he's
24 not on the directory and that somewhat hamstrings

1 them.

2 So, other than that, that's the latest
3 factual update. And I won't reargue what's in our
4 papers because I think it's pretty clear. Unless the
5 Court has any questions.

6 THE COURT: So not right now on the
7 motion to expedite.

8 Why don't we go to you, Mr. Dupre.

9 ATTORNEY DUPRE: Yes, Your Honor.
10 It's turned into quite a bloodbath in multiple
11 jurisdictions since we were last all together. The
12 payroll issue is -- in the view of the defendants in
13 this action, the plaintiffs in the other case.

14 The payroll issue is part of the
15 coordinated attack on the Stream entities in the
16 Netherlands. So there's the most obvious fact of who
17 controlled SeeCubic B.V. for the last two years and
18 ran up a 500,000 euro payroll deficit with no payroll
19 reserves or tax reserves over the past two years. It
20 clearly wasn't Stream. We didn't have the entity.

21 So, mysteriously, the moment we show
22 up based on your orders last week, all of a sudden all
23 the money is gone and nothing has been reserved. But
24 the employees still need to follow the directions of

1 Mr. Stastney, despite that he's enjoined from
2 interfering with Stream's recovery of these assets.

3 There is, in addition, an emergency
4 filing that I was forwarded, it was in Dutch,
5 yesterday, that effectively appears to be the Dutch
6 law equivalent of a 225. It's Mr. Stastney trying to
7 seize control of the entity in the Netherlands.
8 SeeCubic B.V., Hawk, SeeCubic are also claimants on
9 that proceeding. It's set for a Monday hearing in the
10 Netherlands, Your Honor.

11 I'm not thrilled to have to tell the
12 Court this, because I know it's going to be as
13 unwelcome as it sounds when it's coming out of my
14 mouth, but I'm going to have to file a TRO today for
15 an antisuit injunction on that. It's a flat breach of
16 the duty to return the assets in the September 30th
17 order.

18 The other update that I have is Your
19 Honor ordered us to bond and we did bond.

20 THE COURT: Yeah, I saw that. And
21 thank you for doing that. I appreciate it.

22 ATTORNEY DUPRE: Yes. So I just
23 wanted to -- we did our part in the colloquial way to
24 say that, as I always am.

1 We still don't have the lenses, the
2 websites, the bonding equipment, all the specific
3 stuff that's in your injunction orders. We're still
4 asking for it. And the defendant here's view is that
5 it's being wrongfully withheld from us because Hawk is
6 trying to ride in to the rescue of SeeCubic, which is
7 not what we understood you to be ordering.

8 So we've got a necessity to file an
9 antisuit TRO, which I will file as fast as I can
10 today. And I'm sorry to burden you with it. We just
11 don't seem to have any other choice because of the
12 Monday Amsterdam court filing.

13 We are bonded. We still don't have
14 any of the assets. And Hawk's motion to expedite is
15 wrongful because it was a litigation device to divest
16 Hawk of being the real party in interest here. When
17 you make representations in the Court, you got to
18 stick with them.

19 So that's the main defense. The rest
20 of it is evident on the papers, Your Honor. I don't
21 feel like I need to rehash paper for you.

22 THE COURT: Okay.

23 ATTORNEY CAPONI: Your Honor?

24 THE COURT: Mr. Caponi, do you want to

1 respond to the real party in interest issue?

2 ATTORNEY CAPONI: Hawk is the real
3 party in interest, Your Honor. Whatever intercreditor
4 arrangements may exist are not the concern of the
5 borrower. The borrower borrowed the money. The
6 borrower signed the notes. The borrower didn't repay
7 the money. The borrower is in default. Pay the money
8 or turn over the assets.

9 This didn't like the government sends
10 you a check by mistake and you get to keep it. MAC
11 machine kicks out money, you get to keep it. You
12 don't get to take other people's money and walk into
13 the sunset, as Mr. Dupre says.

14 THE COURT: No, I get that. It's
15 framed as a real party in interest issue. I think you
16 could also view it as a standing issue. And there is
17 some tension, I think, between the idea that SeeCubic
18 got the assignment of all of these rights, but now
19 it's you-all who are bringing this action.

20 What is the current status as you
21 understand it of things?

22 ATTORNEY CAPONI: The current status,
23 Your Honor, is that the -- effectively the creditors
24 got together, including Hawk, and they contributed

1 economic value into SeeCubic, Inc., in order to be the
2 vehicle to which to do this restructuring.

3 But the holder of the debt remains
4 Hawk. And Hawk is entitled to enforce this debt. It
5 may have to coordinate with the other creditors, but
6 it never relinquished or transferred its position as
7 the secured creditor. That's why -- I mean, that's
8 why we're pursuing this and not SLS or somebody else.

9 THE COURT: Let's do this. We're
10 going to phase this. I'm going to give you my ruling
11 right now on the question of whether this action gets
12 expedited. I'll tell you right now, it's going to be.

13 Once I give you my reasons for that, I
14 want to talk with counsel about the how fast question.

15 And then the third thing I want to
16 talk with counsel about is the interim *status quo*
17 issue. We'll get to each of these in turn. Let's
18 pause right now so that I can explain to you why I am
19 expediting this case.

20 This case is a Section 225 action that
21 has been filed by a creditor that has or contends that
22 it has the authority under certain credit agreements
23 to vote all of the shares of a Delaware entity which
24 is named as one of the defendants and goes by the name

1 of Technovative Media, Inc. I'm going to call it the
2 "Company."

3 Hawk asserts that it has validly
4 exercised its creditors' rights and appointed a
5 gentleman named Shad Stastney as the sole director of
6 the company.

7 The complaint alleges that the company
8 has rejected Hawk's position and maintains that a
9 gentleman named Mathu Rajan is the sole director of
10 the company.

11 That is precisely the type of dispute
12 that Section 225 exists to resolve. Section 225 calls
13 for a summary proceeding, which is a term of art. At
14 a minimum, summary proceeding means faster than
15 normal. It can mean super expedited, but it certainly
16 means faster than normal. So there's an expectation
17 that in a Section 225 proceeding we will go faster
18 than normal and that the case will be expedited. All
19 of those principles apply here.

20 In response to the motion to expedite,
21 the defendants have raised three main arguments.
22 First is the one that I was just discussing with
23 counsel, which is that Hawk is not the real party in
24 interest. The contention is that Hawk assigned all of

1 its rights to an entity called SeeCubic, which was
2 essentially a joint action vehicle on the part of the
3 creditors initially to execute what's been talked
4 about as a friendly foreclosure but which is now
5 continuing as a litigant in another proceeding before
6 me.

7 The short answer is that this is not a
8 reason to deny expedition. This is a reason for
9 discovery into what Hawk can do and whether it's the
10 proper party to bring this claim. It may well be that
11 Hawk did assign its rights to SeeCubic. It also may
12 well be that SeeCubic, in turn, gave instructions to
13 Hawk to pursue its rights on SeeCubic's behalf. That
14 is something that has been told to me in a related
15 action. We'll find out what the real situation is.

16 What is clear, I think, is that there
17 are two secured creditors on one side of the table;
18 there is a debtor on the other side of the table. The
19 creditors and the debtors' controlling stockholders
20 are in a fight over the fate of the entities in
21 question. One of those entities is Stream TV
22 Networks. Another one of those entities is the
23 company. The real issue is who is the proper director
24 of the company. We'll figure out the assignment issue

1 as we go along. But it's not a reason to deny
2 expedition.

3 The second reason that the defendants
4 have cited is the existence of other litigation
5 between the parties. And they invoke the well-known
6 case of *McWane* to suggest that I should exercise
7 discretion to dismiss or stay the Section 225
8 proceeding in deference to these prior actions.

9 Summary proceedings in Delaware are
10 specialized things. The *McWane* analysis applies, but
11 it applies in this setting with an additional overlay
12 of concern, namely, that the summary proceedings that
13 Delaware has established by statute in its entity laws
14 have particular purposes and are uniquely suited for
15 those purposes. Delaware has a powerful public policy
16 interest in resolving these types of disputes. Thus,
17 there are additional factors that have to be
18 considered in the *McWane* analysis and as an overlay to
19 the *McWane* analysis.

20 That doesn't mean that a Delaware
21 court will never defer to a competing action simply
22 because the Delaware proceeding is a summary statutory
23 proceeding. But it does mean that the fact that there
24 is a Delaware statutory proceeding is a weight on the

1 scales as to how the Court exercises its deference.

2 These are well-established principles.

3 Given the timing of this hearing, Mr. Caponi didn't
4 get to put in a reply and cite them. But the short
5 answer is that this is easy stuff that we all know
6 about, that I certainly know about, that the lawyers
7 on the phone know about. And if any interested reader
8 wants to see some examples, a couple are *Pulver v.*
9 *Stafford Holding* and *Choice Hotels International v.*
10 *Columbus-Hunt*. There are many others.

11 So how do I approach these other
12 actions? The first is the foreclosure proceeding that
13 has been sitting over in Superior Court. It started
14 before what was a major effort in front of me between
15 SeeCubic and Stream involving an omnibus agreement.
16 It is still there. It is a possible vehicle. But
17 it's not a vehicle like a Section 225 proceeding. It
18 doesn't exist for the purpose of resolving the
19 question of who holds office as a director of a
20 Delaware entity.

21 That is a critically important
22 question. The board of directors of a Delaware
23 corporation exercises authority over the business and
24 affairs of the company. We can't have corporations

1 not knowing who their directors are and being out in
2 the world bumping into things. So the foreclosure
3 action, even though it is prior filed, is not an
4 action to which I defer. It's not the same legal
5 issue. It's not the proper vehicle. It's really not
6 a viable forum for resolving the issue that we have to
7 resolve.

8 The second action is one pending in
9 federal court in the District of Delaware that Stream
10 filed on June 22, 2022, shortly after the Delaware
11 Supreme Court issued its ruling vacating this Court's
12 prior decision that had upheld the omnibus agreement.
13 And that decision essentially resulted in the parties
14 resuming their fights over who had the authority to do
15 what regarding Stream and its subsidiaries.

16 That's a plenary action. It asserts
17 broadly that Hawk, which is the second secured
18 creditor, the second priority secured creditor, SLS,
19 which is the first priority secured creditor, and
20 their respective principals have done all kinds of bad
21 things over the years to sabotage Stream and to
22 conspire to take over Stream and to harm Stream.

23 And the general upshot of that is that
24 Hawk and SLS shouldn't have valid creditor rights at

1 all. Instead, they should be held liable in damages
2 for all the wrongdoing that they have done to Stream.
3 So that's a big broad plenary action.

4 It's nominally first-filed because it
5 came in in July, whereas this proceeding is just now
6 starting. It's first filed only in that technical
7 sense. This is a situation where the parties have had
8 a lot of disputes in a lot of different courts. The
9 foreclosure action being the first. The main one
10 being the one in front of me in this Court involving
11 SeeCubic and Stream. There was a brief detour into
12 Bankruptcy Court. That bankruptcy action got
13 dismissed. Since the Delaware Supreme Court's ruling,
14 a lot of stuff has been happening in front of me. And
15 now we have this 225 action.

16 The federal court in Delaware is a
17 wonderful court. They're clearly capable of resolving
18 this dispute. There's no question about that. They
19 can do it. The issue is whether I should defer to
20 that dispute when what is at issue is the
21 determination of who is the director of a Delaware
22 corporation.

23 In my view, the answer to that is no.
24 This 225 action, as I indicated before, is targeted.

1 It's specialized. It's designed to do exactly what we
2 need here, which is to determine who is the proper
3 director and comprises, as a result, the board of this
4 entity.

5 The argument is made that actually,
6 even though this is a tailored proceeding precisely
7 for this setting, that the Court of Chancery is not
8 capable of doing prompt and complete justice because
9 there's a need to look into, analyze, and figure out
10 the validity of the creditors' debt.

11 There's a couple different responses
12 to that. The first one is potential preclusion, which
13 is based on the fact that there have been rulings that
14 have held that the debt was a valid obligation. I
15 ruled on that in the *SeeCubic v. Stream* case. That
16 went up to the Supreme Court. That ruling was not
17 challenged on appeal.

18 It strikes me that at least one
19 straightforward answer -- and clearly I would want to
20 hear from the parties before issuing a ruling -- but
21 one straightforward answer is that that issue is done.
22 It is not an issue that requires a massive undertaking
23 and a lot of figuring out because it is an established
24 fact that the loans were valid.

1 The broader issue is whether
2 Section 225 can take care of these types of things.
3 The short answer is that it can. You can litigate
4 related issues in a Section 225 proceeding as long as
5 they are sufficiently tied to the question at issue
6 under 225 here, the proper composition of the board of
7 directors. If an issue is necessary to that
8 disposition, then the 225 proceeding can consider it.

9 Again, this is easy stuff. I know
10 everyone knows it. Mr. Caponi didn't get to have a
11 reply on this so he didn't get to cite the litany of
12 cases that stands for this proposition. One that I
13 pulled up in literally 30 seconds of research is *Kahn*
14 *Brothers v. Fischbach*, 1988 WL 122517. So this is not
15 new. This is standard.

16 One of the things this Court routinely
17 adjudicates in 225 actions is the effectiveness of
18 agreements that give parties the right to appoint
19 directors or to vote on who the directors are, because
20 that's a critical issue in many 225 actions. Usually
21 the issue involves a stockholder voting agreement;
22 less often it's the creditors agreement. There's no
23 material distinction between those two settings.

24 So if, indeed, I have to figure out

1 whether this agreement is valid for purposes of the
2 225 action, I can and will. Maybe that requires more
3 discovery than we ordinarily would have in a summary
4 proceeding. But a summary proceeding doesn't
5 necessarily mean stripped-down, limited, basic
6 discovery. It can mean that. There's some summary
7 proceedings where we try to hold it to that. And
8 certainly the Court exercises more control over
9 discovery in a summary proceeding than it would in a
10 plenary action. But summary proceedings can decide
11 important issues.

12 Now, what this case isn't going to
13 decide is the damages question. The only issue that
14 this Court ultimately will rule on in terms of the
15 validity of the creditors' agreements in this
16 Section 225 action would be the composition of the
17 board.

18 There are some declaratory judgment
19 that Mr. Caponi also seeks, and let's hold those off
20 for today because really we're just talking about
21 whether this needs to be expedited or not.

22 Even if one takes the narrowest
23 possible view and says this is only a Section 225
24 action and only about the composition of the board of

1 the company, it is still true that this Court can
2 adjudicate the validity of those debt agreements to
3 the extent they need adjudicating.

4 Then, the final argument that the
5 defendants make is that Hawk no longer has creditors'
6 rights because its debt was validly converted into
7 equity.

8 That's a merits issue. We'll figure
9 that out. We'll do it on an expedited basis. That's
10 clearly an issue that is necessary to determining the
11 outcome of this case and who is the validly elected
12 director serving on the board of the company. I'm
13 happy to hear about it. It's not a reason for denying
14 expedition. It's one of the issues that has to be
15 resolved on an expedited basis.

16 There's one more that the defendants
17 have identified, which is the argument that SeeCubic
18 has unclean hands because it's violated this Court's
19 orders. That is the same type of issue. It may well
20 be that there are unclean hands arguments.

21 My impression of the matter is that
22 both sides here are aggressive. Both will push the
23 limits of what they can do in terms of and in the face
24 of a court order. I fully expect there to be

1 arguments going back and forth on this subject. And
2 so that's an issue that needs to be decided and will
3 be decided if, indeed, it has to be, on an expedited
4 basis. It's not a reason for not doing this on an
5 expedited basis.

6 So I'm going to schedule this. I'm
7 going to expedite it.

8 The next question is how fast do we
9 go? I think what you've heard from me is that there's
10 going to be some real questions here, particularly if
11 the findings in the *SeeCubic* action aren't preclusive.
12 If the findings in the *SeeCubic* action are preclusive,
13 this action gets simpler pretty fast.

14 I'm happy to talk today about the how
15 fast. I'm also happy to let you-all confer about the
16 how fast. Normally we would do these things -- we try
17 to do these things in 60 to 90 days, plus or minus.
18 If we really have to go breakneck, we can go
19 breakneck. But it seems to me with the proper interim
20 relief, we can potentially have at least a nonsuicidal
21 schedule, even if it's one that imposes massive
22 burdens on counsel and the Court.

23 So because I think interim relief will
24 play a role in how fast we have to go, let's talk

1 about interim relief first, and then let's talk about
2 the how fast question.

3 I know I've been talking a long time,
4 I'm going to talk a little bit longer, and then I'm
5 going to ask you a question.

6 When I look at what Hawk has filed and
7 the injunction that it has put up, that isn't the type
8 of interim relief that I would normally enter at the
9 start of a 225. What would customarily enter at the
10 start of a 225 is a *status quo* order that would limit
11 the company in question to the operations in the
12 ordinary course and prevent either side from taking
13 action or causing the company to take action outside
14 of the ordinary course. That, to me, is what I'm
15 inclined to do.

16 Now, I have an additional caveat. I
17 am also inclined to put in a receiver pendente lite.
18 Because, as I indicated, I think both of your clients
19 have strong interests in the outcome of this matter.
20 You have shown me in related proceedings how often
21 disputes arise. So, in addition to putting in a
22 *status quo* order, I am inclined to put in a receiver
23 pendente lite whose job will be to make sure that
24 until we figure these things out the company only

1 operates in the ordinary course of business.

2 So what I want to hear from you-all
3 now -- and I'll start with Mr. Caponi and then I'll go
4 to Mr. Dupre -- is respond to the Court's proposal to
5 put in a *status quo* order limiting people to the
6 ordinary course of business with a receiver pendente
7 lite to oversee that pending the outcome of this
8 proceeding happening on some expedited basis.

9 Mr. Caponi, the ball is tossed to you.

10 ATTORNEY CAPONI: Thank you, Your
11 Honor. I would say the proposal the Court's thinking
12 makes sense. I think if the Court were to put in an
13 ordinary course requirement, there would be
14 substantial disagreement. There already is
15 substantial disagreement over what constitutes
16 ordinary course, and we'll most likely be in front of
17 Your Honor on a somewhat daily basis.

18 So having a neutral in charge making
19 the decisions as to what ordinary course is is
20 practically probably the best outcome.

21 I say all this without having spoken
22 to my client. But living through this case a limited
23 period of time I've been through it and seeing what I
24 have since the Court's order well over 14 days ago, I

1 do know that there has been a lot of back and forth
2 about what ordinary course is, what the SeeCubic/Hawk
3 secured creditors view as ordinary.

4 As you heard Mr. Dupre earlier on the
5 phone, they want lenses and equipment, everything
6 upstreamed out of the operating entities into Stream
7 and elsewhere, which we would deem not ordinary
8 course. I would think those types of issues will pop
9 up on a fairly regular basis.

10 So I will just stop there and say
11 that's my thought.

12 THE COURT: No, you're channeling my
13 fear, and my fear is based on only the part of the
14 iceberg that I see. I do suspect that there are
15 emails going back and forth and calls and
16 communications that are orders of magnitude larger
17 than the amount that you put in front of me.

18 Mr. Dupre, what are your thoughts on
19 this proposal?

20 ATTORNEY DUPRE: So I might shock Your
21 Honor by saying I'm fine with it. Stream's view is
22 you already enjoined us to only act in the ordinary
23 course, so I don't really feel like we're giving away
24 the store by agreeing to abide by an injunction that

1 we are already under.

2 We would have agreed to a special
3 master before, if you recall. We put Vice Chancellor
4 Slight and Chancellor Chandler and John Mark
5 Zeberkiewicz on the table. All Stream wants is the
6 ability to operate the Stream business in the ordinary
7 course as these disputes are worked out.

8 The thing that I have to ask you for
9 in a *status quo* context is the Hawk parties or the
10 creditor parties together, as Hawk doesn't actually
11 have the rights, but the creditor parties acting in
12 concert with each other are trying to rip the company
13 out of Stream's hands in the interim.

14 So our ask is we get to run the
15 company in the ordinary course of business while we do
16 this summary proceeding to stop suing us all over the
17 place in the Netherlands and elsewhere or inducing
18 other people to sue us. We don't mind being
19 supervised. Our intent is to run the business.

20 We're raising money for the business,
21 as we've always said. That's the point. So, you
22 know, I agree with Your Honor that the mandatory TRO
23 couldn't be granted as stated and that a *status quo*
24 order would be normal and appropriate. We'd just like

1 that *status quo* order to reflect the rulings you
2 already made in the other case, which is Stream
3 controls the assets limited to the ordinary course of
4 business during the pendency of the disputes.

5 THE COURT: So let me just flesh this
6 out a little bit more to understand what this means as
7 a practical matter. So my uninformed expectation, or
8 I should say less informed, marginally informed
9 relative to what I think is counsel's knowledge, is
10 the following:

11 There are folks actually running the
12 day-to-day business, many of which are in the
13 Netherlands who, as long as they get paid, can
14 diligently go about pursuing ordinary course
15 activities. Then, over top of that, there is the
16 larger strategic concepts that, on the one hand the
17 Rajan brothers have, versus on the other hand the
18 Hawk/Stastney group may have.

19 And so my working assumption has been
20 that if I essentially freeze the strategic level until
21 we figure out in this proceeding who the strategic
22 vision should be coming from, that that will not
23 prevent the actual -- whatever you want to call
24 them -- mid level, live employees, the actual doers of

1 the actual business of the company from doing that
2 daily business of the company.

3 Is that a correct sense, or am I off
4 base?

5 And, Mr. Dupre, why don't you take the
6 first shot at answering that?

7 ATTORNEY DUPRE: Unfortunately, Your
8 Honor, that fact deposit is wrong for the following
9 reasons. Stream business is effectively to make TVs.
10 That's why we're fighting over this bonding equipment
11 and lenses that are the subject of your other order.
12 So you make TVs with the bonding equipment, you put
13 the lenses in there, you put the tech there. You
14 deliver TVs to the customers and the customers pay for
15 them. That's the business, sort of the core business
16 from Stream's perspective.

17 If we continue to be denied the
18 bonding equipment, the lenses, the people who put them
19 together to make the TVs, we cannot do the ordinary
20 business of Stream, which is to effectively make and
21 sell TVs on the status quo.

22 All that's happening is a bunch of
23 engineers are sitting in the Netherlands doing nothing
24 but running up payroll and no TVs are being delivered

1 to any customers. Stream has customers who want TVs,
2 and the fight is about: All right, well, we have the
3 equipment, we have the lenses, we have the code, and
4 we have the people. Our business is to make TVs. We
5 need to make TVs and deliver them to the customers
6 regardless of what the strategic, you know, merger
7 stuff is at the Delaware general corporations level.
8 And, legalistically, there's monetary claims back and
9 forth.

10 If the business goes along and the
11 customers get their TVs and it results in monetary
12 claims or mitigation of damages, so be it. It's a
13 simple matter of the ability to do the ordinary
14 business. And without enforcement of the injunction
15 that you already made, Stream cannot do the ordinary
16 course of business on an interim level.

17 The other thing that Stream does is
18 show people the technology so people want to buy more
19 TVs, basically. Content, show them for-content deals
20 so that people are excited to put it in movie X or
21 sports event Y or whatever. So they run around and
22 they show everybody and they sign up customers. And
23 on the basis of that, those letters of interest or
24 other types of customer's contractual expressions, you

1 raise money from investors and then the problem goes
2 away.

3 That's kind of the point is you want
4 to get rid of the secured creditors with money that
5 you raise via recapitalization.

6 So, again, in the current state of
7 play, there's noncompliance. And there's worldwide
8 fights to try to slow down compliance with what's
9 already been ordered in order to do this, to have the
10 summary proceeding go as fast as they humanly can, the
11 three-week version of the summary proceeding. In
12 which case, Stream will never get the benefit of the
13 prior orders.

14 It will never be allowed to conduct
15 its business because it's going to be sued in the
16 Netherlands and denied the bonding equipment. There's
17 going to be endless seriatim arguments about why it
18 can't be handed over, even though it was already
19 ordered to be handed over.

20 So there may be a way to do it, Your
21 Honor, but the current way of just trying to freeze
22 strategy and let going concern happen isn't working
23 because you've ordered the defendants to give us the
24 stuff to make the TVs and we still don't have the

1 stuff to make the TVs so we can't do the ordinary
2 course of business.

3 THE COURT: So let's parse through
4 that. There's some assumptions in there, or
5 assertions in there.

6 Let me suggest to you that there are
7 two different issues. One is: Is this company
8 capable of operating its core business in the ordinary
9 course pending the outcome of a *status quo* order, and
10 then in the sense of is the core business one that
11 can't function? And then, the second question is:
12 What assets do you need to make that happen?

13 I'm not suggesting, nor did my
14 question intend to suggest, that I was deciding the
15 latter issue against you or somehow vitiating prior
16 orders or anything like that.

17 My question is really designed to ask:
18 How much involvement do the Rajans have to have in the
19 day-to-day operation of the business, or if I stick a
20 receiver pendente lite in to hold everybody to the
21 ordinary course of business and, at the same time, if
22 we've got to find ways to get you your bonding
23 equipment back so that you can actually make the TVs,
24 so be it, are there people at the company who can keep

1 the ship going in its basic direction while we figure
2 out the board-level question?

3 ATTORNEY DUPRE: I think the answer is
4 no, Your Honor. And it's evidenced by what Mr. Caponi
5 has filed, informationally only, not that it's him,
6 but what we have is this bad Dutch employee problem.

7 The defendants' view is that the --
8 all the money mysteriously disappeared and the
9 employees just happen to be suing at the same time
10 when these events are happening acting in concert with
11 the plaintiffs in this case.

12 So there's sort of an implication
13 that, well, maybe the Netherlands can just do it.
14 That's not actually the case. The manufacturing is
15 done in China and the parts are in Japan. So
16 customarily Stream's management oversees that with
17 third parties and puts it all together. It's not like
18 the stuff is built in the Netherlands. Those are the
19 engineer and design teams.

20 The engineer and design teams are
21 saying their payroll accounts have been looted, not
22 during Stream's period of ownership, and they don't
23 know who to take orders from. And they can't take
24 orders from anybody apparently because there's no

1 money.

2 A receiver with just the Netherlands
3 couldn't do the business from either side. For Stream
4 to do Stream's ordinary business, it basically just
5 needs the stuff in the other orders. It happens in
6 Asia, not the Netherlands.

7 THE COURT: Where are you getting the
8 idea that I was limiting my question to the
9 Netherlands? I'm talking about the company,
10 Technovative. Who are the humans who operate below
11 the Rajans?

12 ATTORNEY DUPRE: The human beings?
13 There's a management team of Stream.

14 THE COURT: That's who I want to talk
15 about. Who are they?

16 ATTORNEY DUPRE: There is a sales
17 manager-type guy. His name is Bud Robinson. There's
18 a manufacturing-type guy. His name is Dan Knight.
19 There's administrative and customer-focusing people,
20 you know, sales representatives, those kind of guys.
21 There's eight or nine people, Your Honor.

22 THE COURT: Okay. So there is a
23 management team. Yes?

24 ATTORNEY DUPRE: Below Mathu Rajan,

1 yes. There are other managers who have defined roles
2 who report to him.

3 THE COURT: Okay. And are these
4 people that have held their roles throughout the
5 SeeCubic interregnum, or are these people that are
6 newly hired since the return of the Rajans?

7 ATTORNEY DUPRE: They are Stream
8 people who would have been frozen out during the
9 SeeCubic interregnum, Your Honor. So they wouldn't
10 have been sitting there running the business during
11 that time because the SeeCubic people would have had
12 it.

13 THE COURT: So during the time that
14 SeeCubic had control of the assets, they had
15 effectively their own management team in place that
16 was overseeing the operating subsidiaries?

17 ATTORNEY DUPRE: That is correct.
18 They would have like a mirror image team of our team
19 with a chief creative officer and a sales director,
20 however titled, chief marketing officer. They have
21 all similar roles that we would have, obviously.

22 THE COURT: Let me ask you a
23 completely different question. How fast do you think
24 this needs to go?

1 ATTORNEY DUPRE: I think Your Honor
2 was right in your initial thing, which is it depends
3 who controls it in the interim, whether supervised or
4 not.

5 If we have it and we can make our
6 TVs -- that's what Stream actually wants, is to have
7 the thing and make its TVs while we're arguing with
8 everybody -- it seems like more a five- or six-month
9 summary proceeding than a 60- to 90-day one. I'm not
10 trying to weasel out of it. It's just that there's a
11 facial standing/real party in interest problem at the
12 front and then a lot of discoverable material back and
13 forth in the middle.

14 It looks to me like a little bigger
15 case than, hey, what does the third clause of this
16 voting rights agreement mean as a matter of law.

17 If we didn't have the stuff, we'd want
18 to go as fast as we could because we'll be killed off
19 if we are unable to make our TVs in the meantime.

20 THE COURT: Okay. In a world where
21 there was a management team and the management team
22 had all of the assets necessary to conduct the core
23 business as you've described it, is the core business
24 self-supporting or does it need external funding.

1 ATTORNEY DUPRE: It depends how the
2 contracts are structured. The customers pay for the
3 TVs, so we have adequate funding to start the
4 production lines. And then the TVs themselves are
5 revenue generating. So you get orders, you get money,
6 you build TVs, you get orders, you get money, you
7 build more TVs.

8 So Stream's belief is we have to use
9 the money we're raising now to get the production
10 lines restarted and deliver our first sets of orders.
11 But after that, the business sustains itself through
12 revenue.

13 THE COURT: Tell me what you mean
14 about the money you're raising now.

15 ATTORNEY DUPRE: Stream is going
16 around attempting to raise money from investors to
17 restart the business based on the prior court orders.
18 So normal equity raises, Your Honor, recapitalization.

19 THE COURT: So this is common, is it
20 preferred? What are you guys raising in the form of?

21 ATTORNEY DUPRE: Common equity.

22 THE COURT: And general magnitude of
23 the raise?

24 ATTORNEY DUPRE: We are working to

1 close a \$25 million deal, trying to beat November 1st,
2 Your Honor.

3 THE COURT: And what percentage of the
4 outstanding would that be? Well, first tell me what
5 percentage of the common and then, as I recall -- you
6 can confirm or disconfirm that -- well, just tell me
7 what percentage of the common.

8 ATTORNEY DUPRE: I'm sorry, Your
9 Honor, I just don't know. I can give you a
10 supplemental if you want it. I just don't know the
11 answer.

12 THE COURT: So my follow-on question
13 was it's not going to affect the Rajans' voting
14 control?

15 ATTORNEY DUPRE: No, Your Honor. The
16 whole setup of Stream is and has always been to
17 protect the founders' majority voting control.

18 THE COURT: Okay. If you don't get
19 the 25 million, can the company start up the
20 production lines and operate?

21 ATTORNEY DUPRE: Oh, sure. That's
22 much more than it needs. It needs sub 5 million to do
23 its first set of TVs, which, as the papers and the
24 Court have shown and you've already ruled, Your Honor,

1 these guys have raised a lot of money over the years.
2 They're good at that.

3 So it does not need the full amount of
4 fundraising that they're doing right now to start
5 everything. They only need a couple million.

6 THE COURT: All right. That's all
7 helpful. Thank you.

8 Mr. Caponi, how fast do you think this
9 needs to go. And tell me -- give me two answers. But
10 give me one answer where there's a world where you've
11 got *res judicata*. Give me another answer where you
12 have to defend the legitimacy of your creditors'
13 agreements against challenges to their validity.

14 ATTORNEY CAPONI: Your Honor, I think
15 my answer is the same on both. Which is, this would
16 need to be done quickly. I mean, I think five months
17 is crazy given the context and the history here.

18 So does it need to be done in 30 days?
19 No. But I think as Your Honor pointed out, it's
20 something in the 90 day, maybe 120 at the most. I
21 don't know -- it is established, even if it's not *res*
22 *judicata*, that the loan documents are signed, the
23 money was borrowed and wasn't repaid.

24 THE COURT: I hear you. I don't need

1 to hear the merits theory.

2 ATTORNEY CAPONI: I'm not arguing,
3 Your Honor. I'm just saying, like, I'm putting out
4 from my *prima facie* case, I figure it's in the can.
5 It's really what defenses are going to come at me. I
6 don't know exactly what they are. They've never been
7 specifically articulated. I mean, they've been
8 alluded to.

9 So you're asking me how long do I
10 think it's going to take? It comes down to the
11 creativity of Mr. Dupre. I know he's going to argue
12 standing. I know he's going to argue conversion.
13 Those things can get done in 60 days. If he wants to
14 start throwing other things against the wall, I can't
15 control that. But this really is a defense case more
16 than it is a plaintiff's case at this point because of
17 the history. Even if *res judicata* doesn't establish.

18 THE COURT: Let me ask some other
19 questions.

20 Again, like, my ideal is a world in
21 which the core business -- which can be as Mr. Dupre
22 had described it -- continues to run. There are TVs
23 being made and sold. And that is happening in the
24 background while you-all fight over who should have

1 control at the board level.

2 From your side of the matter, is that
3 something that can be achieved?

4 ATTORNEY CAPONI: Yes, Your Honor.
5 And I'm going to try to be very practical here. And,
6 again, I have not spoke with my client. But here's
7 how I see the world, for what it's worth.

8 I do believe that if you were to put
9 in at the Technovative level -- which this Court in
10 the other matter sort of rightly concluded that that's
11 the inflexion point, that everything below that is
12 operational and above it is not. If there is a
13 receiver at the Technovative level that is the
14 decision maker that makes sure that nothing crazy is
15 taking place and everything -- you know, day-to-day
16 business continues as it's supposed to, and if, for
17 example, the Rajans wanted to, as they did last week,
18 make a copy of all the source code and walk out the
19 door with it, there was someone my client could go to
20 and say that's not supposed to happen and that person
21 made the decision as the director, I think that
22 maintains the *status quo*. It allows the lower-level
23 individuals to do their day-to-day job. I think
24 that's a no-brainer.

1 The question becomes -- I think Your
2 Honor also noted -- funding. I don't know where
3 Mr. Dupre is getting -- this is operational. They
4 don't sell TVs. I know there's been filings in the
5 other case where the Court was informed that the
6 operating subsidiaries are funded on a debt basis on a
7 monthly basis. They incur debts; money gets wired in.

8 I think, as a practical matter, if I
9 was in the Court's chair, that's the question that it
10 puts to my client: If I put a receiver in place, are
11 you willing to continue that funding mechanism to
12 preserve your capital for the next 90 days?

13 If my client is willing to do that, on
14 a debt basis, the way it has been doing it, I think
15 that maintains the *status quo*, it preserves and
16 protects the lower level -- not lower level, the
17 quality of their work -- but the employees at the
18 operational level are not going to be able to do their
19 job and won't be sucked into the process where they've
20 been. I think that maintains the *status quo*.

21 I understand Mr. Dupre's client wants
22 to operate and do things with Stream and take it back
23 to where it was. But they lost that right when they
24 defaulted on the debt. So we're in a new reality

1 which is the lenders have collateral, they have the
2 right to preserve.

3 And I would like my client to be in
4 control. But if the Court is not inclined to do that,
5 I think to have a neutral in place. And if the Rajans
6 want to fund the company on the same debt terms that
7 my clients would, I don't think my clients would
8 object to that. And maybe they're the first dollars
9 to get paid out when things are sold. But I think
10 that's what the Court's focus should be.

11 THE COURT: On the funding side, I
12 think that makes sense, is that essentially it's like
13 a dip loan or something where it's going to have
14 similar priority in terms of first dollars out.

15 I'm also not clear why a
16 noncontrolling equity issuant would be problematic to
17 your side. I wonder why someone would invest. But if
18 some amount of millions came into the company as
19 straight equity, is that problematic for your client?

20 ATTORNEY CAPONI: My understanding,
21 Your Honor, and certainly I have no insight into the
22 equity raise, is that the equity raises are taking
23 place at the Stream level, not at the Technovative or
24 subsidiary level.

1 If people want to invest in Stream on
2 an arbitrage play, God bless them. They can raise the
3 money. It won't impact anything down below. But even
4 if the raise was intended to be at the Technovative
5 level, I honestly just do not know enough -- I think
6 Stream owns 100 percent of that, yeah. So it would be
7 Stream selling off portions of its equity --

8 THE COURT: No, no, I think you're
9 right that the raise happens at Stream.

10 ATTORNEY CAPONI: We don't mind
11 whatever they do at that level. If there's -- I think
12 the key is a receiver at the Technovative level to be
13 the board and to make sure that, like the warden,
14 everything runs according to the normal process.

15 THE COURT: Let me interrupt you and
16 push you on another issue, which is the assets
17 question that Mr. Dupre has raised on several
18 occasions.

19 So let's think about this bonding
20 equipment. We're going to have to figure this out.

21 And I don't know -- go ahead.

22 ATTORNEY CAPONI: He's making it up.
23 My client did not loot any money out of the company.
24 This company has been operating on monthly debt for a

1 long period of time. It's in the court records. The
2 Rajans knew about that before they offered they wanted
3 to take over 18 days ago.

4 And the bonding equipment is something
5 that they asked for. It's in a warehouse in China.
6 My client actually sent a letter. All the equipment
7 and everything that they're looking for is assets of
8 the operating subsidiaries. My client turned over --
9 or Your Honor's order removed my client from
10 controlling Technovative. At that point, my client
11 said -- kept its mouth shut for 14 days. And, in
12 fact, issued letters to the landlord in China saying,
13 we, SeeCubic, Inc., no longer run or control this.
14 Stream is the voice of authority.

15 Stream is trying to get the landlord
16 to take the equipment out of the subsidiary level up
17 to the Stream level. They want to take the source
18 code from the operating level to the Stream level.
19 That's what's been taking place. And people have been
20 resisting that. Not my client, but the individual
21 employees in the Netherlands, for example, said, under
22 the law there, that they have an obligation. You
23 know, you can't just allow ultimate shareholder to
24 come in and take what they want with a truck. Like,

1 you have to preserve the business. And their business
2 is the SeeCubic B.V.

3 So they've been resisting that on
4 their own accord. That's why they hired their own
5 lawyers and they're not coordinating with me.

6 So as far as I understand, everything
7 that you need to do what this company does is squarely
8 in the control of the operating subsidiaries. And my
9 client, if the receiver gets into place, will sign
10 whatever, please listen to them, not us. And if
11 you're under a delusion or misimpression, you're
12 wrong, listen to this receiver. I know my client -- I
13 don't even have to ask, I know my client will sign off
14 on anything along those lines.

15 THE COURT: All right. So if,
16 hypothetically, contrary to your expectations, the
17 bonding equipment is sitting in China and needs to be
18 released in some way to allow the Netherlands
19 subsidiary or whichever entity in the stack, maybe
20 it's Technovative itself, to use it to actually make
21 TVs as part of the core business, your answer would be
22 yes, I haven't been able to ask my client specifically
23 about this, but I have every expectation that my
24 client would say, yes, we're good with that, and they

1 can use it to make TVs.

2 True statement or not true statement?

3 ATTORNEY CAPONI: Correct, Your Honor.

4 If the receiver or day-to-day people say we need this,
5 if my client has some ability to make it happen or
6 certain things are preventing it from making it
7 happen, we'll clear that up. Absolutely.

8 THE COURT: We've been going for an
9 hour. I unfortunately have to cut this short because
10 I have some other things coming up.

11 So I'm going to tell you my current
12 plan is to do what I said I was inclined to do which
13 is to enter a *status quo* order and appoint a receiver
14 pendente lite to ensure that the company operates in
15 the ordinary course of business. And by "company" I
16 mean Technovative.

17 I'm happy to give you-all two minutes
18 each to say anything else you want to say.

19 In terms of the schedule, it seems to
20 me that some phasing is appropriate. We ought to have
21 some initial period of time, let's say 30 days-ish
22 where we deal with what I think of as primarily legal
23 arguments, but they may have some discovery associated
24 with them, like the "who's got the actual rights to do

1 this" argument, and the "is it preclusive or do we get
2 to relitigate the validity of the agreements"
3 argument.

4 If we're going to relitigate or
5 litigate the validity of the agreements, then we can
6 hit the second phase where we do that and that's going
7 to have to be probably more along the lines of at
8 least a three-month, if not four-month proceeding. I
9 could see you-all doing it in the range of a month for
10 documents, a month for depositions, and then a month
11 for trial prep and trial.

12 So I think you could even get that
13 phase done in 90 days. But I think we ought to have
14 an upfront phase where if Mr. Dupre needs some limited
15 discovery on who's got what rights under the
16 agreement, what is there besides the assignment
17 agreement, who knows, you ought to be able to crank
18 that out pretty fast. And then let's figure out
19 whether we need to move beyond that.

20 I'm going to ask you-all to prepare in
21 the first instance a scheduling order that has some
22 types of phasing like that.

23 I'm going to put in place today a
24 *status quo* order limiting the company to the ordinary

1 course. And I'm also going to put in a receiver
2 pendente lite, although I'm not sure I can get that
3 human actually in the seat today, but it will happen
4 soon.

5 Last two minutes. Mr. Caponi, go.

6 ATTORNEY CAPONI: I think that's a
7 perfectly sensible way to proceed, Your Honor. I cede
8 the rest of my time.

9 THE COURT: All right.

10 Three minutes and 45 seconds in total,
11 Mr. Dupre, go.

12 ATTORNEY DUPRE: Let me only use 45,
13 Your Honor. The creditors altogether, Stastney,
14 SeeCubic, and Hawk, have sued us in the Netherlands on
15 an equivalent of a 225 with a hearing on Monday. So
16 the rocket docket.

17 Does your *status quo* allow that to
18 happen or are you freezing the *status quo* or do you
19 want my emergency anti-suit TRO motion today?

20 THE COURT: So, look, I am freezing
21 things at the company parent level. I would like that
22 to be enough. I don't know what the Netherlands court
23 would do. I don't like to interfere with other
24 courts.

1 It seems to me like what I'm doing
2 should protect everybody's interests, and that a
3 Netherlands court, if that were explained, would
4 understand that. My read of the emails going back and
5 forth is that the Dutch folks just want to do their
6 jobs and were somewhat perplexed by the fighting
7 happening above them. Maybe that's a wrong read.
8 Maybe those people really are Hawk/SeeCubic shills and
9 were just saying that.

10 But the short answer is I'm not going
11 to say right now Hawk, SLS, et al., don't go forward
12 with your motion. I am going to exhort you-all to
13 stop proliferating litigation. Grapple with this
14 here, let's figure this out, and then let's move
15 forward.

16 If you are unable to get that type of
17 comfort from your friend Mr. Caponi, then, yes,
18 Mr. Dupre, you would need to file your application for
19 anti-suit injunction. I suggest you hold off until
20 tomorrow so that you can actually have some
21 discussions with Mr. Caponi.

22 Did you say that the hearing is
23 tomorrow or Monday?

24 ATTORNEY DUPRE: The hearing is

1 Monday, Your Honor.

2 ATTORNEY CAPONI: Monday.

3 THE COURT: Why don't you hold off
4 until tomorrow so you can have some discussion with
5 Mr. Caponi. If you guys can't figure out a way not to
6 open up another front, then you can go ahead and file
7 your motion tomorrow.

8 Mr. Caponi, you know it's going to be
9 coming. You're going to need to explain to me why we
10 need to open another front and why this is all
11 necessary, et cetera.

12 And I will find some way to get on the
13 phone with you all. I may even do it on the weekend,
14 frankly. When I think about what I've got coming up,
15 tomorrow is a less attractive day for me than is
16 Sunday. So we might actually do it Sunday afternoon.
17 And we might have to get a private court reporter so
18 we don't burden the good people of the Court of
19 Chancery unless they want to volunteer for the
20 hazardous duty. But --

21 ATTORNEY CAPONI: Your Honor, just to
22 try to short-circuit this. My understanding of the
23 proceeding in the Netherlands is limited to
24 Mr. Stastney has -- if you remove a director, they

1 have a right to plead why they shouldn't be removed.
2 And I'm not going to give away any state secrets here.
3 But it was a way to make sure we had some insight into
4 what's going on.

5 In light of the appointment of a
6 receiver at a high level, I personally don't see the
7 need for that anymore. And I will lean on everyone I
8 can lean on -- and I would think Mr. Dupre and I
9 should be able to work that to where that becomes a
10 nonissue. At least that's my expectation, if the
11 receiver is in place.

12 THE COURT: I would be thrilled for
13 that to be the case. And so let's leave it there for
14 now.

15 And if I have to get together with you
16 all on Sunday and -- are the Eagles playing Sunday?
17 Do they play Sunday or Monday? They have a bye this
18 week. So no one can claim any conflict because they
19 have to watch the Eagles game. The afternoon of
20 Sunday should be fine for all of us if we have to do
21 it.

22 I do want you-all to figure this out.
23 I would hope you can figure this out. Let's proceed
24 as I've indicated. And then let's figure out a path

1 forward that tries to get some solutions for people.

2 All right. Thank you both for getting
3 on the phone. I appreciate your time and your
4 arguments. I know this was short notice. I hope you
5 have a good rest of the day.

6 Good-bye.

7 COUNSEL: Thank you, Your Honor.

8 (Proceedings concluded at 12:11 p.m.)

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CERTIFICATE

I, KAREN L. SIEDLECKI, Official Court Reporter for the Court of Chancery of the State of Delaware, Registered Diplomate Reporter, and Certified Realtime Reporter, do hereby certify that the foregoing pages numbered 3 through 50 contain a true and correct transcription of the proceedings as stenographically reported by me at the hearing in the above cause before the Vice Chancellor of the State of Delaware, on the date therein indicated, except for the rulings at pages 9 through 20, which were revised by the Vice Chancellor.

IN WITNESS WHEREOF I have hereunto set my hand at Wilmington this 25 day of October 2022.

/s/ Karen L. Siedlecki

Karen L. Siedlecki
Official Court Reporter
Registered Diplomate Reporter
Certified Realtime Reporter